

SENATE BILL 3218

By Blackburn

AN ACT to amend Chapter 563 of the Private Acts of 1949, as amended, to authorize the Franklin Special School District, Williamson County, Tennessee to issue and sell school refunding bonds in an amount not to exceed thirty-one million five hundred thousand dollars (\$31,500,000); to provide the form and terms of such refunding bonds; to authorize the refinancing of such refunding bonds; to establish and provide for the payment of the refunding bonds; to levy a tax for the payment of the principal of, interest and redemption premium, if any, on such refunding bonds; to provide for the issuance and sale of such refunding bonds and the use and disposition of proceeds therefrom.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Franklin Special School District, located in Williamson County, Tennessee (the "district"), created by Chapter 563 of the Private Acts of 1949, as amended (collectively with all amendatory acts, the "act of incorporation"), is hereby authorized and empowered to issue and sell, by resolution of the board of education, refunding bonds in the aggregate principal amount not to exceed thirty-one million, five hundred thousand dollars (\$31,500,000), and in no event more than the principal amount of the bonds being refunded, premium thereon, interest on such refunded bonds to maturity or earlier redemption date and costs of issuance, including discount, if any, for the purpose of providing funds to:

(1) Refund bonds issued pursuant to Chapter 181 of the Private Acts of 1992 as amended by Chapter 87 of the Private Acts of 1997, consisting of the Limited Tax School Bonds, Series 1993, the Limited Tax School Bonds, Series 1993A, and the Limited Tax School Bonds, Series 1995, Chapter 68 of the Private Acts of 1985, Chapter 60 of the Private Acts of 1989, consisting of the Limited Tax School Refunding Bonds, Series 1994A and the Limited Tax School Refunding Bonds, Series 1994B, and Chapter 11 of the Private Acts of 1999, consisting of Limited Tax School Bonds, Series 1999 (Current Interest Bonds);

(2) Fund all accounts and funds necessary and proper in connection with the issuance and sale of the refunding bonds as the Board of Education of the District shall determine; and

(3) Pay costs incident thereto and to the issuance and sale of the refunding bonds.

SECTION 2. The refunding bonds may be sold at public or private sale in one or more series, may bear such date or dates, shall mature at such time or times, not exceeding twenty-five (25) years from their respective original dated dates, may bear interest at a zero (0) rate or at such other rate or rates not to exceed six and one-half percent (6.5%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds, all as may be provided by resolution of the district's board of education. The refunding bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the board, but in no event shall refunding bonds be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such refunding bonds is to be sold at a zero (0) rate of interest or at an original issue discount, such

refunding bonds may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such refunding bonds, plus accrued interest). The board is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the refunding bonds and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board shall deem necessary or desirable.

SECTION 3. The refunding bonds shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the district's board of education authorizing the refunding bonds.

SECTION 4. For the purpose of paying principal of and interest and redemption premiums on the refunding bonds herein authorized, there is hereby levied, in addition to any tax currently being levied within the boundaries of the district for the benefit of the district, a continuing annual tax equal to a rate per one hundred dollars (\$100) of assessed value of taxable property located within the district which provides the district one hundred percent (100%) of the amount of outstanding principal, premium, if any, and interest coming due on the refunding bonds in the next succeeding year. At the request of the board of education, the county assessor of property shall certify to the county trustee and the board the total assessed value of taxable property within the district and furnish the county trustee and the board an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of this information and certifications, and on or before September 1 of any year, the county trustee shall adjust the tax rate established herein to an adjusted rate which shall provide to the district one hundred percent (100%) of the amount of outstanding principal, premium, if any, and interest coming due on the refunding bonds in that tax year as certified to the county trustee by the district, plus the taxes levied pursuant to the act of incorporation securing other outstanding debt of the district for such tax year and each tax year thereafter so

long as the refunding bonds shall be outstanding. These taxes shall be used exclusively to pay principal of and interest on and premium, if any, on the refunding bonds authorized herein and any other indebtedness of the district as they come due and to maintain debt service fund balances. The board of education is hereby authorized to pledge such taxes to pay the principal of and interest and any redemption premiums on the refunding bonds and any other indebtedness of the district. The taxes shall be annually extended and collected by the County Trustee of Williamson County in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. The proceeds of these taxes, as and when collected, shall be paid by the county trustee to the district. The proceeds of these taxes, when received by the district, shall be deposited to a debt service fund to be established and maintained by the district. The debt service fund is established for the specific purpose of receiving the taxes authorized herein and any other funds which may from time to time be pledged to the payment of indebtedness of the district. The debt service fund and the funds therein shall be maintained and accounted for until payment in full of all outstanding obligations of the district and shall be used for the purpose of paying principal of and premium, if any, and interest on the refunding bonds and any other indebtedness of the district. In the event property taxes and such other funds as shall be pledged to the payment of the indebtedness of the district are not sufficient to pay principal thereof, premium, if any, and interest thereon when due, the district shall apply funds from operations or other available funds of the district to the payment thereof. So much of the surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the district may be used, at the discretion of the board, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with this work.

SECTION 5. The board of education is authorized, but not required, to pledge to the payment of the refunding bonds all or a portion of:

(1) Its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Williamson County pursuant to Tennessee Code Annotated, Section 67-6-712; and

(2) Any other funds received from the state of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The refunding bonds, and all income therefrom, shall be exempt from all state, county and municipal taxation in the state of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The district is further authorized, by resolution of the board of education, to borrow money and issue its bonds for the purpose of refunding at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof, the refunding bonds authorized herein. The board shall have the power to provide for the custody, application and investment of the proceeds of the refunding bonds pending retirement of the refunding bonds.

SECTION 8. No election shall be necessary for the authorization of the refunding bonds and the provisions of Section 9 of Chapter 563 of the Private Acts of 1949, as amended, shall not be applicable to the refunding bonds issued hereunder.

SECTION 9. To the extent the provisions of this act conflict with the provisions of Chapter 181 of the Private Acts of 1992, as amended by Chapter 87 of the Private Acts of 1997; Chapter 68 of the Private Acts of 1985; Chapter 60 of the Private Acts of 1989 and Chapter 11 of the Private Acts of 1999 (the "private acts"), including but not limited to the terms of the refunding bonds and the tax levied with respect to such refunding bonds, then the provisions of this act shall prevail with respect to the refunding bonds authorized hereunder, except to the extent any provisions of this act or the application thereof shall be held by any court of

competent jurisdiction to be invalid or unenforceable, then the provisions of the prior acts shall remain in full force and effect.

SECTION 10. If any provision of this act or the application thereof shall be held by any court or competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.